

LUKAS, MCGOWAN, NACE & GUTIERREZ

CHARTERED
1111 NINETEENTH STREET, N.W.
SUITE 1200
WASHINGTON, D.C. 20036
(202) 857-3500

DOCKET FILE COPY ORIGINAL

RUSSELL D. LUKAS
GERALD S. MCGOWAN
DAVID L. NACE
THOMAS GUTIERREZ
ELIZABETH R. SACHS
GEORGE L. LYON, JR.
PAMELA L. GIST
DAVID A. LAFURIA
TERRY J. ROMINE
MARJORIE GILLER SPIVAK
J. JUSTIN McCLURE
MARILYN SUCHECKI MENSE
PAMELA GAARY HOLRAN
B. LYNN F. RATNAVALE
* NOT ADMITTED IN D.C.

CONSULTING ENGINEERS
THOMAS G. ADCOCK, P.E.
MEHRAN NAZARI
ALI KUZEHKANANI
SHAHRAM HOJATI, D.Sc.
LEROY A. ADAM
LEILA REZANAVAZ
FARID SEYEDVOSOGHI

OF COUNSEL
JOHN J. MCAVOY
J.K. HAGE III*

TELECOPIER
(202) 842-4485

Email: lmng@fcclaw.com
<http://www.fcclaw.com>

WRITER'S DIRECT DIAL

(202) 828-9472

September 17, 1997

RECEIVED

SEP 17 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Commissioner Susan Ness
Federal Communications Commission
1919 M. Street, NW, Room 832
Washington, DC 20554

RE: WT Docket 97-82

Dear Commissioner Ness:

This office represents Alpine PCS, Inc., licensee of the Block C PCS licenses for the Hyannis, MA; Santa Barbara, CA; and San Luis Obispo, CA Basic Trading Areas ("BTA").

This letter is written in light of recent news reports that suggest the Commission may be considering adopting measures which fail to offer adequate relief to Block C licensees. Specifically, it has been reported that the Commission is close to adopting an "amnesty" plan, whereby C Block licensees would be allowed to turn in licenses for re-auction, but would forfeit down payments made on those licenses.

As Alpine's filings have previously discussed (see, e.g., Alpine's June 23, 1997 Comments), Alpine is gravely concerned that substantial defaults among C Block licensees could adversely impact the commercial viability of all C Block license holders generally. This is because a viable C Block generally requires that subscribers to C Block systems have the ability to roam in neighboring markets.

Without the ability to roam, given the high degree of roaming in today's wireless market, subscribers will go elsewhere for wireless service.

For example, Alpine's business plan is based on the very reasonable assumption that major market Block C systems near Alpine's markets, such as the Los Angeles BTA and the Boston BTA, would be operational contemporaneous with Alpine's commencement of

No. of Copies rec'd
List ABCDE

2

operations. Without these systems becoming operational on or about the time Alpine commences service, Alpine will simply not be able to attract sufficient customers to compete against the A and B Block cellular and PCS systems, and Nextel's nationwide enhanced SMR network.^{1/}

Thus, even though Alpine was careful in its bidding strategy not to overbid, or to overextend itself financially, unless Alpine has viable C Block neighbors, its ability to meet its financial obligations to the Commission and to serve the public will be compromised.^{2/}

Given these considerations, merely allowing licensees to turn in their licenses while forfeiting their down payments affords the C Block scant relief. Licensees will not quickly come to a decision to forfeit millions of dollars of down payments. Rather, they will delay that painful decision as long as practicable. The result will undoubtedly be to delay the commencement of service. Buildout schedules will be lengthened, if not abandoned. Moreover, to the extent licensees elect to suffer the substantial forfeitures, the re-auction process will so delay the ultimate commencement of service in affected markets so as to still threaten the viability of even otherwise financially healthy licensees.

Therefore, the Commission is urged to adopt relief which

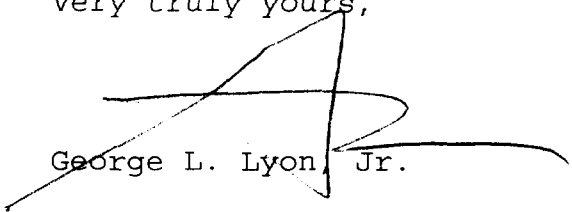


licensees to take prompt remedial action, rather than discouraging remedial action by those licensees.

Alpine participated in the C Block auction because it was convinced that entrepreneurial enterprises like itself promise the potential of innovative services and ideas to their and the public's mutual benefit. It carefully considered its business plan and its bidding strategy to minimize risk in an environment which was inherently uncertain and risk prone. While accepting the high degree of risk of a new business venture, it never reasonably could have considered the potential that unqualified and underqualified bidders would so dominate the C Block auction, as to truly threaten the entire Block C market structure.

Given these considerations the Commission must aggressively take steps to prevent the collapse of the C Block, so as to protect its goal of fostering innovative public service.

Very truly yours,



George L. Lyon, Jr.

GLL/pc

cc: WT Docket 97-82